



HF 2473 – Business Development Financial Assistance Program (LSB 5347HZ.1)
 Analyst: Kenneth Ohms (Phone: 515-725-2200) (kenneth.ohms@legis.state.ia.us)
 Fiscal Note Version – As amended and passed by the House
 Requested by Representative Josh Byrnes

Description

House File 2473 adds a direct financial assistance component to the High Quality Jobs Program and makes other changes related to the sunset of the Economic Development Fund (formerly the Grow Iowa Values Fund).

Background

House File 648 (FY 2012 Infrastructure Appropriations Act) repealed the Economic Development Fund effective June 30, 2012, and required the Iowa Economic Development Authority (EDA) to propose to the General Assembly a new business development financial assistance program and any changes in law necessary to implement the repeal of the subchapter. The EDA submitted **HSB 591** to fulfill this requirement.

The historical expenditures and current year budget estimate for administration of the Economic Development Fund is outlined in the table below.

	Actual FY 2010	Actual FY 2011	Estimated FY 2012
Expenditures	\$ 1,552,025	\$ 1,319,706	\$ 1,617,676
FTE Positions	15.1	13.3	17.3

Additionally, the EDA has expended money associated with National Marketing (\$2.3 million), Laborshed Studies (\$145,000), and Information Technology/Technical Assistance (\$350,000).

Assumptions

The following assumptions were used in the preparation of this memo:

- The amount appropriated to this Program will vary each fiscal year (**House File 2337** appropriated \$15.0 million from the Rebuild Iowa Infrastructure Fund for this Program for FY 2013).
- The costs outlined above will remain constant.
- Depending on the amount appropriated, the EDA will adjust its budget accordingly.

Fiscal Impact

Since the EDA is already operating a direct funding financial assistance program, restructuring it in the manner of **HF 2473** will have minimal fiscal impact.

Sources

Department of Revenue
 Iowa Economic Development Authority
 LSA Analysis & Calculations

/s/ Holly M. Lyons

May 8, 2012

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
